

AMENDED IN ASSEMBLY APRIL 11, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

## ASSEMBLY BILL

**No. 1159**

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**Introduced by Assembly Member Richardson**

February 23, 2007

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~~An act to amend Section 671.1 of the Streets and Highways Code, relating to highways. An act relating to state funds.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 1159, as amended, Richardson. ~~Encroachment permits: fees. State funds: fiscal review.~~

*Existing law sets forth the duties of the Department of Finance in overseeing the financial activities of state agencies generally.*

*Existing law authorizes various state agencies to impose and collect fees to cover the costs of performing certain services.*

*This bill would require the Department of Finance to prepare and submit to the Legislative Analyst a list of all funds into which are deposited the fees collected by state departments and agencies with statutory authority to charge fees to cover the cost of services they provide. The bill would require each state department and agency to provide and submit a report regarding those fees to the Legislative Analyst. The bill would require the Legislative Analyst to analyze the reports and submit the analysis and any recommendations to the Department of Finance and specified legislative entities.*

~~Existing law provides that the Department of Transportation has full possession and control of the state highway system. Existing law governs the issuance by the department of encroachment permits relative to state highway rights-of-way. Existing law generally authorizes the department to charge a fee for the issuance of encroachment permits, but provides~~

~~that the fee schedule established by the department shall not produce a total estimated revenue in excess of the estimated total cost to the department for issuing encroachment permits, excluding the cost of issuing permits exempted by statute or regulation from the payment of fees. Revenue from the fees is deposited in the State Highway Account.~~

~~This bill would instead provide that the fee schedule established by the department shall produce a total estimated revenue that is equal to the estimated total cost to the department for issuing encroachment permits for which fees may be charged.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. (a) The Legislature finds and declares as follows:*  
2     *(1) The state budget has experienced several years of deficits,*  
3     *reflecting a structural deficit of at least \$5 billion.*  
4     *(2) There does not exist a comprehensive list of special funds*  
5     *for all state departments and agencies authorized to collect fees*  
6     *for state services, including regulatory fees.*  
7     *(3) Given the state's continuing funding crisis, there is a need*  
8     *to conduct a comprehensive analysis of these special funds to*  
9     *determine whether state departments and agencies are properly*  
10    *collecting the amount required or have adjusted their costs to*  
11    *reflect actual expenses, and to identify needed changes to comply*  
12    *with relevant statutory requirements.*  
13    *(b) This act shall be known and may be cited as the State Special*  
14    *Fund Fiscal Review Act of 2008.*  
15    *SEC. 2. (a) No later than February 1, 2008, the Department*  
16    *of Finance shall prepare and submit to the Legislative Analyst a*  
17    *list of all funds and accounts into which each state department*  
18    *and agency deposits the fees it collects, including, but not limited*  
19    *to, regulatory fees and fees to cover the costs of services provided.*  
20    *(b) (1) No later than March 1, 2008, each state department and*  
21    *agency identified in the list created under subdivision (a) shall*  
22    *prepare and submit to the Department of Finance and the Office*  
23    *of the Legislative Analyst a report that identifies all of the*  
24    *following:*

1 (A) *The fund or funds into which each kind of fee is deposited,*  
2 *the statutory authority pursuant to which it collects each kind of*  
3 *fee, and the service covered by each fee.*

4 (B) *The amount of the fee charged per individual or entity during*  
5 *the first fiscal year that the fee was charged, and the amount of*  
6 *the fee charged for the last two fiscal years immediately preceding*  
7 *the date of the report. The report shall clearly show the difference*  
8 *between the amounts of the fees charged over these time periods,*  
9 *if any.*

10 (C) *The total cost of the service for which any fee was charged*  
11 *during the 2006–07 fiscal year.*

12 (D) *The total amount of fees collected pursuant to statutory*  
13 *authority during the 2006–07 fiscal year.*

14 (2) *Notice of the requirements of this section shall be provided*  
15 *by the Department of Finance to each state department and agency*  
16 *subject to its provisions no later than January 15, 2008.*

17 (c) (1) *The Legislative Analyst shall analyze reports provided*  
18 *pursuant to subdivision (b) and identify any shortages between*  
19 *revenues and expenses and whether reported costs are accurately*  
20 *identified.*

21 (2) *The Legislative Analyst shall submit an analysis, along with*  
22 *any recommendations, including any recommendations necessary*  
23 *to comply with relevant statutory authority, to the Department of*  
24 *Finance, the budget committee of each house of the Legislature,*  
25 *and the Joint Legislative Budget Committee, no later than May*  
26 *30, 2008.*

27 **SECTION 1.** ~~Section 671.1 of the Streets and Highways Code~~  
28 ~~is amended to read:~~

29 ~~671.1. The department may establish a fee schedule and charge~~  
30 ~~a fee for the issuance of permits pursuant to the provisions of this~~  
31 ~~chapter, except that no such fee shall be charged by the department~~  
32 ~~to any public corporation. The fee schedule established by the~~  
33 ~~department shall produce a total estimated revenue that shall be~~  
34 ~~equal to the estimated total cost to the department for administering~~  
35 ~~the provisions of this chapter, excluding the cost of issuing permits~~  
36 ~~exempted by statute or regulation from the payment of fees. Funds~~  
37 ~~collected pursuant to this section shall be deposited in the State~~  
38 ~~Highway Account in the State Transportation Fund.~~

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